STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

OFFICE OF HEALTH PLAN OVERSIGHT
DIVISION OF PLAN SURVEYS

FINAL REPORT OF DENTAL SURVEY

WATTS HEALTH FOUNDATION, INC.

July 20, 2001

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SECTION I. INTRODUCTION AND SURVEY PROCEDURES

As required by Section 1380 of the Knox-Keene Act, the Department of Managed Health Care (the "Department") conducted an on-site dental survey of Watts Health Foundation, Inc., dba UHP Healthcare (the "Plan") on September 11-15 and November 21, 2000 and an exit conference on November 27, 2000.[1] A Preliminary Report of the survey findings was sent to the Plan on March 30, 2001. The Plan filed its response entitled "On-Site Dental Survey – Plan Corrective Action Response" to the Preliminary Report on May 16, 2001 ("Plan's Response").

During the survey, which is a comprehensive evaluation of the Plan's compliance with the Knox-Keene Act (the "Act"), the Department reviewed the following areas required by Section 1380(a) of the Act:

- Procedures for obtaining health services
- Procedures for regulating utilization
- Peer review mechanisms
- Internal procedures for assuring quality of care
- Overall performance of the Plan in providing health care benefits and meeting the health needs of subscribers and enrollees, including the Plan's organizational and administrative capacity to provide healthcare services, availability and accessibility of care, grievance and appeals system, and public policy participation

The Department also reviewed the Plan's April 7, 2000 pre-survey documents that the Plan submitted in response to the Department's March 7, 2000 survey notification letter. The pre-survey information included information regarding the Plan's enrollment, provider network, benefits, organization, treatment authorization process, grievance system, and Quality Assurance program.

[1] References throughout this report to "Section _____" are to sections of the Knox-Keene Health Care Service Plan Act of 1975, as amended [California Health and Safety Code section 1340 *et seq*. ("the Act")]. References to "Rule _____" are to the regulations promulgated pursuant to the Act [Title 28 of the California Code of Regulations, beginning at Section 1300.43 ("the Rules")], and transferred to the Department of Managed Care pursuant to Health and Safety Code section 1341.14.

At the Plan's administrative offices the Department reviewed the following information and conducted interviews with the staff responsible for these areas:

- Enrollee complaints filed at the Department
- Grievances and appeals filed at the Plan
- Specialty referral request records
- Quality assurance documents including committee minutes and provider credentialing files
- Plan information for providers describing Plan policies and benefits

The Department also reviewed charts of enrollees who had received general dental care at four (4) of the Plan's participating general dental offices (including one practice owned by the Plan's parent organization), and charts of enrollees who had received orthodontic services at one of the Plan's participating orthodontic offices. The Department reviewed a total of thirty-six (36) patient charts from general dental practices and five (5) patient charts from the orthodontic provider.

In addition, the Department conducted a structural review of one general dental office that included infection control, emergency safety, radiological safety and access.

Report Organization and Follow-Up

This Final Report contains the following: 1) dental survey findings as they were reported in the Preliminary Report, 2) summary of the Plan's compliance efforts as described in the Plan's Response, and 3) the Department's determination as to whether the deficiencies were corrected by the Plan's compliance efforts. The Plan is required to file any modification to the Exhibits of the Plan's licensing application as a result of the Plan's corrective action plans as an Amendment with the Department.

Where factual findings constitute a violation of the Knox-Keene Act, this report cites deficiencies and corrective actions to which the Plan was required to respond. The corrective actions in the Preliminary Report required that the Plan submit evidence that the Plan's compliance efforts had been implemented or were in the process of being implemented when the Plan submitted its response. If the Department finds the Plan's corrective action plan is insufficient to correct a deficiency, the Department may require further remedial actions in this report.

Pursuant to Health and Safety Code Section 1380(i)(2), the Department will conduct a Follow-up Review of the Plan within 18 months of the date of the Final Report to determine whether the deficiencies identified by the Department have been corrected. Please note that the Plan's failure to correct deficiencies identified in the Final Report may be grounds for disciplinary action as provided by Health & Safety Code Section 1380(i)(1).

Any member of the public wanting to read the Plan's entire response and view the Appendices may do so by visiting the Department's office in Sacramento, California. One copy of the Summary Report of the Final Report is also available by mail free of charge to the public. Additional copies of the Summary Report and copies of the entire Final Report and the Plan's Response can be obtained from the Department at cost. In the future Summary Reports will also be available on the Department's web site: www.dmhc.ca.gov.

The Plan may file an addendum to its response at anytime after the Final Report is issued to the public. Copies of the addendum also are available from the Department. Persons wanting copies of any addenda filed by the Plan should specifically request the addenda in addition to the Plan's response.

Finally, Preliminary and Final Reports are "deficiency" reports; that is, the reports focus on deficiencies found during the medical survey. Only specific activities found by the Department to be in need of improvement are included in the report. Omission from the report of other areas of the Plan's performances does not necessarily mean that the Plan is in compliance with the Knox-Keene Act.

II. OVERVIEW OF ORGANIZATION

Date Plan Licensed:	January 30, 1978
Type of Plan:	Specialized Dental Plan (non-profit)
Provider Network As of 9/00:	107 general dentists (102 independently contracted, 5 in Plan's staff model dental clinic) 41 specialty dentists (1 endodontist, 12 oral surgeons, 13 orthodontists, 10 pedodontists, 5 periodontists)
Service Area:	Most of Los Angeles County, portions of Orange County and San Bernardino County
Plan Enrollment As of 4/7/00:	24,417 MediCal members[2] 377 commercial members[3]

[2] Includes 8,609 members with coverage under both Medi-Cal and Medicare. 23,485 of the Plan's members reside in Los Angeles County.

[3] Employees of Watts Health Systems, Inc., and affiliated companies only.

Delivery Model

Enrollees select general dentists from among the Plan's general dental provider network for primary dental care and coordination of dental care with dental specialists. All contracting general dentists are compensated by the Plan on a capitated basis with the exception of the general dentists at Watts Health Center, the Plan's staff model dental clinic, who are paid a salary. Watts Health Center is owned and operated by the Plan's parent company, Watts Health Systems, Inc. All other contracting dental specialists, and non-contracting specialists who render services to Plan enrollees, are compensated on a fee-for-service basis.

The Plan requires prior authorization for referrals to, or treatment by, Plan dental specialists. The primary care dentist completes a treatment request form and submits it to the Plan's Dental Director for review along with associated dental records. The Plan's Dental Director is also responsible for reviewing appeals on denials of treatment authorization requests under the Plan's complaint and appeals process.

SECTION III. SUMMARY OF DEFICIENCIES

The Department's survey of the Plan found the following deficiencies which the Plan is required to correct:

Plan Organization

Deficiency 1: The Plan lacked adequate staffing to conduct the Plan's Quality Assurance program. [Section 1367(g), Rule 1300.67.3(a)(2), and Rule 1300.70(b)(2)(E)]

Deficiency 2: The Plan does not have a procedure to monitor utilization of services. [Section 1367(g), Rule 1300.67.3(a)(3), Rule 1300.70(c) and Rule 1300.70(b)(2)(h)2.]

Procedures for Assuring Quality of Care

Deficiency 3: The Plan did not take effective follow-up action when quality issues were raised by enrollee complaints. [Section 1368(a)(1), Section 1370, and Rule 1300.70(b)(1)(A) and (B)]

The portion of Deficiency 3 pertaining to review of second opinion requests has been removed.

Deficiency 4: The Plan's dental care Quality Assurance Program did not ensure the consistent identification and correction of quality of care issues at the Plan's general dental offices. [Section 1370, Rule 1300.70(a)(1), Rule 1300.70(b)(1)(A) and (B), and Rule 1300.70(c)]

Deficiency 5: The Plan's dental care Quality Assurance Program did not ensure the consistent identification and correction of quality of care issues at the Plan's orthodontic offices. [Section 1370, Rule 1300.70(a)(1), Rule 1300.70(b)(1)(A) and (B), and Rule 1300.70(b)(2)(E)]

Deficiency 6: The Plan's Board of Directors did not conduct adequate oversight of the Plan's dental care Quality Assurance Program activities. [Section 1370, Rule 1300.68(c), Rule 1300.70(b)(2)(C) and Rule 1300.70(b)(2)(B)]

Access and Availability

Deficiency 7: The Plan is not adequately monitoring or evaluating accessibility to care to assure that services are accessible and readily available at reasonable times to enrollees. [Section 1367(e)(1), Rule 1300.67.2(d), Rule 1300.67.2(f)]

Deficiency 8: The Plan lacks arrangements which assure reasonable accessibility to specialty dental care services throughout the Plan's service area. [Section 1367(e)(1) and Rule 1300.67.2(e)]

Grievance System

Deficiency 9: Has been removed.

SECTION IV. SUMMARY OF PLAN'S EFFORTS TO CORRECT DEFICIENCIES

After review of the Plan's response, the Department finds that the Plan has corrected the following deficiencies:

- Plan Organization: Deficiency 1
- Access and Availability: Deficiency 8

While the Plan has initiated appropriate corrective actions for all other deficiencies, the Department finds that full implementation along with an assessment by the Plan of the effectiveness of those actions will require more than forty five (45) days. Consequently, the Department will evaluate the Plan's corrective actions with regard to the outstanding deficiencies at the time of the Follow-up Review.

SECTION V. DISCUSSION OF DEFICIENCIES AND CORRECTIVE ACTIONS

PLAN ORGANIZATION

Deficiency 1: The Department found the Plan lacked adequate staffing to conduct the Plan's Quality Assurance program.

[Section 1367(g), Rule 1300.67.3(a)(2), and Rule 1300.70(b)(2)(E)]

The Plan did not have back-up arrangements when the Plan's Dental Director was unavailable to review urgent requests for specialty referral authorizations. The Department's review found that the Plan relied on the Dental Director of the Plan's staff model clinic for back-up when the Plan's Dental

Director was unavailable to review urgent requests for specialty referral authorizations.

In addition, the Plan did not have an orthodontic specialist available to participate in its Quality Assurance program. Consequently, the Plan lacked a mechanism for handling grievances pertaining to orthodontic care other than through second opinions rendered by an outside provider. The Plan's peer review committee did not include an orthodontist.

Corrective Action 1:

The Plan was required to submit a corrective action plan, which includes evidence that the Plan has sufficient arrangements in place for the operation of the Plan's referral authorization procedures. The Plan shall submit evidence of formal arrangements with dentists licensed in California sufficient to assure the Plan maintains an appropriate level of after-hours and on-call back-up to the Plan Dental Director. The Plan shall further submit internal procedures which

ensure the Plan shall periodically review its on-call back-up arrangements to assess whether these are adequate, and make any additional arrangements as necessary.

The Plan was required to submit evidence of an executed agreement with an independent orthodontics auditor licensed in California to conduct quality assurance activities for the Plan's orthodontic program and to review quality of care grievances filed by enrollees concerning the quality of orthodontic services. The Plan's submission shall demonstrate that this orthodontist is qualified by training and experience to render an opinion regarding the quality of orthodontic services provided by Plan orthodontists. The Plan's submission shall include a revised organizational chart that includes the position of this orthodontic auditor.

Plan Compliance Effort 1:

The Plan's Response clarified that its Dental Director serves on a full time basis with further support for reviewing urgent referral requests available 24 hours a day, 7 days a week through the Authorization, Tracking & Management (ATM) unit which manages and coordinates after-hour call coverage. This unit reports any failures of on-call coverage arrangements to the Dental Director and Quality Management Department for trending and analysis.

Primary care dentists agree by contract to coordinate and co-manage referrals, as well as provide after hour coverage. The Plan also referred to its Provider Manual which states that in the event a patient requires emergency care, the primary general dentist should refer the patient directly to the specialist and the Plan will authorize the services retroactively with adequate documentation. The Plan submitted Attachment #1, Job Description for the Director, Dental Services, which states that the Dental Director must ensure that in his/her absence a designee is available to review routine, urgent and/or emergent specialty referrals.

The Plan submitted as Attachment #3 a copy of an executed Independent Consultant Agreement with an independent orthodontist. The Agreement is effective May 1, 2001. The services to be provided by the orthodontist include preparation of case reports and participation in the Plan's Quality Management activities as directed by the Plan.

The Plan submitted as Attachment #2 a copy of a revised organizational chart showing the orthodontic consultant as one of the Plan's five (5) contracted administrative services.

Department's Finding Concerning Plan Compliance Effort 1:

The Department finds that the Plan's implementation of its corrective action plan by the time of the 45-day response is adequate to correct the deficiency.

Deficiency 2: The Plan does not have a procedure to monitor utilization of services.

[Section 1367(g), Rule 1300.67.3(a)(3), Rule 1300.70(c) and Rule 1300.70(b)(2)(h)2]

The Plan monitors specialty referrals, emergency referrals, and disenrollment. However, the Plan does not have a procedure to monitor utilization of services. The Plan failed to demonstrate that it had implemented reasonable procedures to monitor utilization of dental services including preventive services or to detect possible underutilization of services.

The Department's review of the Plan's audit of network dental practices revealed cases in which dental sealants, a preventive service, were underutilized (see Deficiency #4).

Corrective Action 2:

The Plan was required to submit a corrective action plan demonstrating the development and implementation of reasonable procedures to monitor utilization and costs including evidence that the Plan has implemented a utilization review program to monitor enrollees' utilization of general dental services. The Plan's procedures should include mechanisms to detect under service by an at-risk provider, including possible underutilization of specialist services and preventive services.

Plan Compliance Effort 2:

The Plan is currently developing a database to support efficient capture and trending of utilization data. The Plan submitted as Attachment #4 a copy of an input screen from the database. The Plan also submitted as Attachment #5 a sample encounter report which was generated from the new database. The report is a frequency count by procedure code for four quarters.

The Plan stated that it will evaluate its encounter data against industry standards and Plan defined benchmarks and present it to its Dental Committees for review and recommendations.

Department's Finding Concerning Plan Compliance Effort 2:

The Department finds that the Plan's corrective action plan is adequate to address the deficiency but that full implementation will take longer than forty- five (45) days. The Department will evaluate full implementation and effectiveness of the Plan's efforts to correct the deficiency during the Follow-up Review.

PROCEDURES FOR ASSURING QUALITY OF CARE

Deficiency 3: The Plan did not take effective follow-up action when potential quality issues were raised by enrollee complaints.

[Section 1368(a)(1), Section 1370, and Rule 1300.70(b)(1)(A) and (B)]

The portion of Deficiency 3 pertaining to review of second opinion requests has been removed.

The Department found that the Plan failed to conduct appropriate review and follow-up of dental quality complaints to ensure that potential quality issues raised by complaints are identified and corrected.

The Department's review of enrollee complaints about the quality of dental services found instances where the Plan's professional dental staff did not appropriately follow-up potential quality issues. The Plan received two grievance cases where the patient alleged interpersonal communication issues as well as concerns with technical quality or access. The Plan assisted the patient in a transfer to another dentist, which resolved the issue from the patient's point of view. However, the Plan did not take further action to determine if the potential quality of care and access issues identified in these complaints were systemic issues with the practices. Details of the two grievance cases are summarized in Appendix A.

Corrective Action 3:

The Plan shall submit a corrective action plan that demonstrates the implementation and development of procedures to ensure that the Plan's dental professional staff adequately and consistently investigate and follow up potential quality issues, including systemic issues, raised by individual enrollee complaints. Where applicable, the Plan's corrective action plan shall address the roles of all Plan-designated dental professionals involved in these processes, including the Dental Director, the Plan's orthodontic consultant or auditor, the Plan's Dental Quality Assurance Subcommittee, and all other Quality Assurance committees responsible for dental professional review and decision-making.

Plan Compliance Effort 3:

The Plan stated that its professional dental staff actively participate in the Plan Quality Assurance program and that all grievances are tracked through the Member Services Department with follow-up and coordination through the Quality Management Department. Issues of access and service must be investigated and completed within thirty days of receipt. All grievances are audited for completeness prior to closure. Audits ensure that all issues are fully addressed and conducted by the Associate Director of Member Services and the Dental Director, with quarterly

reports to the Dental Committee. Records from grievances are subject to Peer Review.

Department's Finding Concerning Plan Compliance Effort 3:

The Department finds that the Plan's compliance effort is not adequate because the Plan's response did not demonstrate how it has altered its current grievance procedure to ensure effective identification and follow up of potential quality issues raised by enrollee complaints.

The Plan must provide evidence at the Follow-Up Review that its grievance procedure ensures effective identification and follow up of potential quality issues raised by enrollee complaints.

Deficiency 4: The Plan's dental care Quality Assurance program did not ensure the consistent identification and correction of quality of care issues at the Plan's general dental offices.

[Section 1370, Rule 1300.70(a)(1), Rule 1300.70(b)(1)(A) and (B), and Rule 1300.70(c)]

The Department's finding is based on the following:

(a) Failure to adhere to the Plan's audit schedule for general dentists, including those identified as having significant quality issues
(b) Failure to ensure that the Plan implemented its audit program for its staff model office dentists in accordance with its Quality Assurance Program description
(c) Chart audit forms for general dental practices did not capture significant quality of care issues
(d) Plan auditors failed to consistently identify significant quality of care issues at general dental offices
(e) Deficiencies identified through the audit program were not corrected
(f) Utilization or complaint data was not adequately incorporated into the dental care Quality Assurance Program

The Department notes that the Plan's general dental audit program is a major component of the its system to monitor and evaluate the performance of its dental providers and to promote appropriate services and care for Plan members.

(a) <u>Failure to adhere to the Plan's audit schedule for general dentists, including those identified as having significant quality issues</u>.

The Department found the Plan did not conduct an audit program for general dental offices in accordance with its Quality Assurance program. Although the Plan's Quality Assurance program committed the Plan to audit every participating dental office at least once a year, the Department found that the Plan had not adhered to this schedule. The Plan also failed to re-audit some

practices that scored below the Plan defined threshold and in several of the practices that it did re-audit, the audits were not conducted on a timely basis.

Of the seventy-eight (78) general dentists scheduled for audit between 1997 and 2000, the Plan had completed audits of fifty-eight (58), or 74% of these practices once during the four years prior to the survey. Thirteen general dental practices were audited twice; two general dental practices were audited three times. Five of the general dental practices were new additions and had only one audit in 2000. Only three practices were audited in consecutive years.

(b) Failure to ensure that the Plan implemented its audit program for its staff model office dentists in accordance with its Quality Assurance Program description.

The Plan did not perform quality audits of its dental clinic consistent with its policy. Rather than auditing its staff model dental clinic in the last three years, the Plan reviewed results of the clinic's self-audit that had two parts, a full chart review and a targeted "spot check" of problem areas. The "spot check" did not evaluate the quality of services but rather asked for a determination that provider signatures were present.

The Department found three instances where the "spot check" failed to identify quality of care issues.

(c) Chart audit forms for general dental practices did not capture significant quality of care issues.

The chart audit form does not provide a mechanism to evaluate the technical quality of dental services. The Department found three cases where the technical quality of the dental services did not meet professional standards of care.

In addition, the plan auditor does not evaluate whether appropriate follow up of medical issues was done by the dental practice. The Department found instances where the lack of follow-up on medical issues by the dental practice could have caused potential harm to the patient or resulted in the provision of inappropriate dental care.

d) The Plan's auditors failed to consistently identify significant quality of care issues that presented themselves at offices audited.

The Plan failed to identify quality of care that did not meet professionally recognized standards of care in the areas described below.

- **Lack of documentation of periodontal status:** The Department identified twenty-six (26) cases where professional standards require documentation of periodontal status. Plan auditors evaluated only fourteen (14) or 54% of these cases. The Department found that documentation in four (4), or 29%, of these cases did not meet professional standards

of care. The Plan's auditors determined that they were unable to evaluate whether documentation of periodontal status in the remaining 46% of the cases met professional standards of care. This determination may underestimate potential quality problems due to inadequate documentation of periodontal status.

- **Insufficient quantity or quality of radiographic services:** The Department identified five (5) cases from a single practice where the quantity of radiographs exposed was insufficient to adequately evaluate oral status of the patient. The Department also found four (4) cases in which the technical quality of the radiographs did not meet professionally recognized standards and consequently interfered with the ability to diagnose problems.

- **Lack of comprehensive treatment plan:** The Department found eight (8) cases where there was no evidence of a treatment plan to replace missing teeth. The Plan auditors also failed to identify a need to fully evaluate treatment planning for sealants in six (6) cases and in two (2) others, the Department identified a lack of a comprehensive treatment plan.

- **Informed consent was not procedure specific:** While the Plan auditor evaluated the informed consent process at dental practices, the Department found that evidence of patient consent for specific procedures was not documented.

e) <u>The Plan was not effective in correcting deficiencies identified through its Quality Assurance audit program</u>.

The Department found that the Plan's quality assurance audit program was not effective in ensuring that identified deficiencies are consistently corrected. The Department's finding is based upon the fact that although the Plan's audit program requires offices to submit corrective action plans to the Plan, the Dental Director indicated that he did not review or verify providers' compliance with the corrective action plans for the office audits reviewed by the Department. In addition, the Department found no documented evidence of follow-up to any corrective action plans.

f) <u>The Plan did not incorporate the use of utilization data or complaint data into its quality assurance audit program</u>.

The Department found no evidence that the Plan incorporated utilization or complaint data into its Quality Assurance Program. The Department's finding is based upon the following:

- The Plan did not provide evidence that it monitors utilization of dental services (see Deficiency #2 under "Plan Organization")

- Quality Assurance Committee meeting minutes did not contain evidence that complaint data associated with specific providers is being monitored on a regular basis, or that targeted follow up with dental providers based on complaint information is being conducted by the Plan

Corrective Action 4:

The Plan shall submit a corrective action plan that demonstrates the development and implementation of a Quality Assurance Program capable of consistently identifying dental quality issues at the Plan's general dental offices and ensuring that quality problems are corrected on a timely basis.

The Plan's corrective action plan shall address, but not be limited to, the scope and accuracy of the Plan's chart audits, the Plan's consistent adherence to its own quality assurance audit cycle schedule, the Plan's consistent application of its quality assurance audit program for all providers, including providers at the staff model clinic, and the adequacy and thoroughness of the Plan's follow up with providers identified as having dental quality issues.

Plan Compliance Effort 4:

The Plan submitted as Attachment #7 a revised 2001 Dental Quality Management Work Plan that includes objectives, target timelines, and individuals responsible for implementation.

The Plan submitted as Attachment #8 a list of items it proposes to use for chart audits conducted at the Plan's general dental offices. The document also includes scoring guidelines.

The Plan submitted as Attachment #9 a document entitled "Quality Management Program" effective March 1, 2001 which describes the Plan's Quality Management Program.

The Plan submitted as Attachment #10 a new quality management procedure (DQM-01) entitled "Bi-annual Dental Facility/Record Audit" effective May 1, 2001. The policy requires bi-annual dental facility and records audits to be conducted at all provider sites, outlines re-audit time lines, and steps for taking corrective action based on Plan audit results. A second procedure entitled "Provider Review: Corrective Action Processes and Plans, also effective May 1, 2001 was also submitted.

The Plan submitted as Attachment #11 two documents pertaining to guidelines for radiographs and a memorandum from the California Department of Health Services dated October 30, 1998 regarding dental sealants for Denti-Cal beneficiaries. The Plan utilizes these guidelines in its chart review audits.

The Plan's response further states that all Plan auditors must be certified by the California Association of Dental Plans. The Plan will develop and schedule semi-annual mandatory

training sessions. Audit scores and corrective action plans will be presented to the Dental Committee monthly. The Plan's staff model facility will be audited using the same criteria and periodicity as the entire network.

Department's Finding Concerning Plan Compliance Effort 4:

The Department finds that the Plan's corrective action plan, with the one exception noted below, is adequate to address the deficiency but that full implementation will take longer than forty- five (45) days. The Department will evaluate full implementation and effectiveness of the Plan's efforts to correct the deficiency during the Follow-up Review.

The Department notes that the Plan must demonstrate that it has incorporated utilization and complaint data into its quality management program (Deficiency #4 f).

Deficiency 5: The Plan's dental care Quality Assurance Program did not ensure the consistent identification and correction of quality of care issues at the Plan's orthodontic offices.

[Section 1370, Rule 1300.70(a)(1), Rule 1300.70(b)(1)(A) and (B), Rule 1300.70(b)(2)(E)]

The Department found the Plan's dental care Quality Assurance Program for its orthodontic offices was inadequate because it did not ensure the consistent identification and correction of dental quality issues at the Plan's orthodontic offices. The Plan did not conduct an adequate audit program for its orthodontic offices to assure orthodontic services meet professionally recognized standards of care and the Plan had no other systems for ongoing evaluation of orthodontic quality of care.

The Plan's orthodontic chart audit form fails to capture significant quality of care issues because it was designed for general dentistry only. In addition, the Plan did not consistently communicate audit results to its orthodontic practices so that they could take corrective action.

The Plan's audit program did not adequately identify or follow-up quality deficiencies identified by the Department. Specifically, the Plan did not identify the following instances in which the quality of orthodontic services did not meet professionally recognized standards:

- **Initial Patient Evaluation/Diagnosis:** Charting of dental condition was missing on two (2) out of five (5) cases.

- **Radiographs:** The Department found that radiographs were either blurred, grainy or root tips were not included on the films in three (3) out of five (5) cases.

- **Continuity of Care**: The Department found that the continuity of care did not meet professional standards in three (3) out of five (5) cases. Two cases were not treated for approximately four months with no explanation documented in the chart, while the third case did not have a treatment chart in the patient records so that continuity could not be determined.

Corrective Action 5:

The Plan shall submit a corrective action plan to develop and implement a Quality Assurance Program capable of consistently identifying dental quality issues at the Plan's orthodontic offices and ensuring that quality issues at these offices are corrected on a timely basis.

Plan's Compliance Effort 5:

The Plan stated in its response that it will add at least one orthodontic provider to its Quality Assurance committee. The orthodontist will also serve as a quality auditor for the Plan.

The Plan submitted as Attachment #12 an orthodontic audit tool. With the input of its orthodontic consultant, the Plan further proposes to revise its Quality Management Program to develop a plan to identify orthodontic issues.

The Plan also submitted as Attachment #10 a policy entitled "Provider Review: Corrective Action Processes and Plans" effective May 1, 2001.

The Plan proposes that orthodontic audits will be performed by an orthodontist certified by the California Association of Dental Plans. Auditors must be comply with Denti-Cal guidelines along with industry standards set by the American Association of Orthodontists.

Department's Findings Concerning Plan's Compliance Effort 5:

The Department finds that the Plan's corrective action plan is adequate to address the deficiency but that full implementation will take longer than forty- five (45) days. The Department will evaluate full implementation and effectiveness of the Plan's efforts to correct the deficiency during the Follow-up Review.

Deficiency 6: The Plan's Board of Directors did not conduct adequate oversight of the Plan's dental care Quality Assurance Program activities.

[Section 1370, Rule 1300.68(c), Rule 1300.70(b)(2)(C), Rule 1300.70(b)(2)(B)]

The Department found that the Plan's Board of Directors did not conduct adequate oversight of the Plan's dental care Quality Assurance Program activities due to the following:

- The Plan's Board of Directors meeting minutes contained inadequate documentation of findings and actions taken as a result of the dental care Quality Assurance Program. Complaint data related to quality of services is categorized as "Other" for purposes of Board reporting, therefore, the Plan failed to demonstrate that the Board received information pertaining to complaints about dental services rendered to Plan enrollees.

- The meeting minutes of the Plan's Executive Quality Management Committee, which is directly responsible for reporting all aspects of the Plan's Quality Assurance Program to the Board, did not sufficiently document the Committee's consideration of dental care Quality Management program findings.

Corrective Action 6:

The Plan shall submit a corrective action plan to develop and implement a system for adequate reporting of dental care Quality Assurance Program findings to the Plan's Board of Directors.

The Plan shall demonstrate that the Board of Directors conducts adequate oversight of the Plan's Quality Assurance Program and that reports received by the Board of Directors are sufficiently detailed to include findings and actions taken by the Plan related to its Quality Assurance Program. The Board shall review reporting of dental care Quality Assurance Program findings on at least at quarterly basis.

The Plan shall also demonstrate that the Board of Directors reviews tabulated grievance reports periodically and takes appropriate action.

Plan's Compliance Effort 6:

The Plan submitted as Attachment #9 a Quality Management Program description effective March 1, 2001. The Quality Management Program documents the Plan's quality management committee structure. The Plan stated in is response that Quality Management Program activities and results are reported monthly to the full Board of Directors of the Watts Health Foundation, Inc.

Department's Findings Concerning Plan's Compliance Effort 6:

The Department finds that the Plan's corrective action plan is adequate to address the deficiency but that full implementation will take longer than forty- five (45) days. The Department will evaluate full implementation and effectiveness of the Plan's efforts to correct the deficiency during the Follow-up Review.

ACCESS AND AVAILABILITY

Deficiency 7. The Plan is not adequately monitoring or evaluating accessibility to care to assure that services are accessible and readily available at reasonable times to enrollees.

[Section 1367(e)(1), Rule 1300.67.2(d), Rule 1300.67.2(f)]

The Department found that the Plan does not routinely gather access information on a sufficiently frequent basis to identify barriers to accessibility. In general, the Department found that the Plan relies almost exclusively on the Plan's annual on-site audit program to gather access information. Because the Plan failed to adhere to its schedule of annual on-site audits, the access information available for Plan monitoring was not current.

Corrective Action 7:

The Plan shall submit a corrective action plan to develop and implement a revised accessibility monitoring system meeting Knox-Keene Act requirements, including comprehensive policies and procedures for Plan monitoring on a sufficiently frequent basis to assure timely identification and correction of barriers to accessibility of services.

Plan's Compliance Effort 7:

The Plan's response stated that it currently evaluates patient to provider ratios and appointment availability and that it monitors member complaints as an indicator of access and satisfaction.

The Plan stated that it will continue to measure access by monitoring:

- Member–to-provider ratios
- Tracking the number and percent of offices closed to new patients
- Geographic accessibility to services (mapping)
- Availability of appointments to primary care dentist within three weeks of request
- Immediate access to emergency services
- Twenty-four (24) hour access for urgent care needs
- Utilization of general and specialty services

The Plan stated that these parameters will be evaluated quarterly and reported in the Dental Committee minutes that flow to the QM Committee.

Department's Findings Concerning Plan's Compliance Effort 7:

The Department finds that the Plan's corrective action plan is adequate to address the deficiency

but that full implementation will take longer than forty- five (45) days. The Department will evaluate full implementation and effectiveness of the Plan's efforts to correct the deficiency during the Follow-up Review.

The Department notes that while the Plan states it is currently monitoring seven accessibility parameters, the Department found minimal evidence during the survey that it was doing so and the Plan's response did not provide evidence of its monitoring activities.

Deficiency 8: The Plan lacks adequate arrangements that assure reasonable accessibility to specialty dental care services throughout the Plan's service area.

[Section 1367(e)(1, Rule 1300.67.2(e)]

The Department found that the Plan has failed to ensure reasonable accessibility to dental specialists throughout its service area.

The Plan lacks specialty dentists as follows:

Endodontists: one contracted endodontist for the Plan's service which consists of most of Los Angeles County, portions of Orange County and San Bernardino County

Periodontists: four periodontists in Los Angeles County and none in San Bernardino County

Pedodontists: none in San Bernardino County and nine pedodontists in Los Angeles county.

The Department found that the Plan routinely authorizes payment for specialty dental services provided by non-contracting specialists and did not find evidence that access to specialty care was delayed or denied due to the limited number of specialists contracting with the Plan.

Corrective Action 8:

The Plan shall submit a corrective action plan to add dental specialists to its network based on the Department's findings. In the event that the Plan is unsuccessful in its attempts to recruit additional specialists, the Plan shall submit evidence that it has solicited specialists and, where specific specialists are not geographically available to enrollees, the Plan will compensate non-contracting dental specialists who render services to Plan enrollees on a fee-for-service basis.

Plan's Compliance Effort 8:

The Plan submitted as Attachment #13 a listing of its current dental specialists which shows that it has five (5) contracting endondontists and is in process of contracting with three (3) others,

eight (8) periodontists and is in the process of contracting with one more, and nine (9) pedodontists, one of which has four locations. The Plan has contracted with or is in process of contracting with two (2) dental schools for perodontist and endodontist services.

The Plan states that it will continue to recruit specialist providers into its network based on the geographic distribution of its membership.

Department's Findings Concerning Plan's Compliance Effort 8:

The Department finds that the Plan's implementation of its corrective action plan by the time of the 45-day response is adequate to correct the deficiency.

D. GRIEVANCE SYSTEM

Deficiency 9: Has been removed.

Appendix A
Grievance Cases

Grievance #1: The immediate concern identified in the complaint was a miscommunication between the office and the patient's mother. However, the letter of complaint included an allegation of denial of access to care. The Department found that the child had seven visits over four years with treatment plans for five fillings and three sealants. None of these services had been provided. The Plan failed to follow up to determine if failure to provide treatment services was systematic in this practice.

Grievance #2: A patient complained that the dentist refused to prescribe pain medication and that the dentures he received from the office were poor quality. The Department's review of the patient chart showed that the treatment plan included a series of extractions. During a period between visits for extractions, the patient contacted the dental office for additional pain medication. The dentist refused the patient's request for additional pain medication. The Plan failed to follow-up with the dentist to determine why the prescription for pain medication was refused and whether the refusal to prescribe pain medication is a systemic problem with this practice. The patient also complained about the quality of the dentures. The Plan did not follow up to determine if quality of denture services met professional standards of care and whether problems with denture design were systemic to this practice.

Appendix B
Cases Related to Deficiency #4

All case specific information that includes practice/patient identifiers is held confidential pursuant to Section 1380(d) and is available to Plan upon request.

(b) Failure to ensure that the Plan implemented its audit program for its staff model office dentists in accordance with its Quality Assurance Program description.

The Department found the following case examples where the "spot check" failed to identify significant quality of care issues: 4-23, 4-15, 4-20.

(c) Chart audit forms for general dental practices did not capture significant quality of care issues. Cases 1-10, 3-2, 3-4.

d) The Plan's auditors failed to consistently identify significant quality of care issues that presented themselves at offices audited.

Chart review item	Case #'s
Documentation of periodontal status	3-2, 3-8, 4-559, 1-3
Radiographic services -- insufficient quantity to evaluate oral status	1-1, 1-2, 1-4, 1-5
Radiographic services – technical quality	2-8, 2-9, 3-2, 3-3
Treatment planning -- missing teeth	1-3, 1-6, 2-4, 4-120, 4-882, 4-887, 1-1, 3-8
Treatment planning – evaluation of treatment planning for sealants	2-5, 3-4, 3-5, 1-4, 1-5, 1-10
Treatment planning – comprehensive treatment plan	1-4, 1-7
Informed consent	1-1, 1-2, 1-3, 1-5, 1-6, 1-8, 3-2, 3-5, 3-6, 3-8, 2-4, 2-5, 2-8, 4-023, 4-115, 4-882

Appendix C
Recommended Actions

The Department recommends that, in order to effectively measure and monitor utilization, the Plan should consider calculating population based utilization statistics from its frequency data as well as aggregate its procedure code level data into higher-level service categories, for example, preventive care. This recommended action is in regards to Deficiency #2.

The Department recommends that the Plan make the following revisions that appear in boldfaced type to its orthodontic audit tool. This recommended action is in regards to Deficiency #5.

1. Informed consent
   a) Signed/**Witnessed** by Dr.

5a **Photos**
   a) Technical Quality
   b) Completeness

6. Diagnosis
   a) Classification of malocclusion **to include condition of overbite, overjet, arch length discrepancies, other**
   g) **complete** and appropriate ----------

8. Treatment Plan
   c) Treatment plan is detailed and sequenced
   d) Treatment plan is consistent with diagnosis

9. Preventive
   b) **Oral hygiene is monitored on an ongoing basis throughout treatment**

10. Progress Notes
   a) General (clear, complete**, not in pencil,** next visit)

11. Treatment
   e) Final records include x-rays, photos, study models **and are of a quality that meets professionally recognized standards of care**

12. Continuity of Care
   c) Referral to GP or specialist when indicated **and documented in the patient's treatment chart**
   f) Post treatment care is documented in the patient's treatment chart